

AMENDED IN ASSEMBLY APRIL 10, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1502**

**Introduced by Assembly Member Laird**

February 21, 2003

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An act to add ~~Section 37026~~ Chapter 7 (commencing with Section 37030) to Division 28 of the Public Resources Code, relating to conservation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1502, as amended, Laird. Natural Heritage Preservation Tax Credit Act of 2000: *bond funds*.

Under the Natural Heritage Preservation Tax Credit Act of 2000, property may be contributed to ~~the specified~~ state entities, any local government, or any nonprofit organization designated by a local government *or specified state entity*, based on specified criteria, in order to provide for the protection of wildlife habitat, open space, and agricultural lands. The act authorizes a credit against the personal income or bank and corporation tax in an amount equal to 55% of the fair market value of any qualified contribution.

This bill would allow any ~~public entity~~ *specified state entity or local government*, authorized to acquire interests in property ~~from under specified provisions of particular state bonds approved by the voters, to expend those bond funds by paying~~ *transferring* to the General Fund *from those funds* the amount of the tax credit necessary to acquire the property by donation pursuant to the ~~act~~ *Natural Heritage Preservation Tax Credit Act of 2000*, to the extent ~~this the expenditure is consistent with, and furthers the purposes of~~ *complies with the purpose, as*

defined, of, the applicable bond act and complies with the Natural Heritage Preservation Tax Credit Act of 2000.

The bill would establish the procedure by which the bond funds could be approved and used for these purposes.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

~~SECTION 1. Section 37026 is added to the Public Resources Code, to read:~~

~~37026. (a)~~

SECTION 1. Chapter 7 (commencing with Section 37030) is added to Division 28 of the Public Resources Code, to read:

CHAPTER 7. BOND FUNDS

37030. The Legislature finds and declares all of the following:

(1)

(a) Current justifiable needs for the acquisition of property for environmental purposes substantially exceed state-approved bond funds available for these purposes.

(2)

(b) The Natural Heritage Preservation Tax Credit Act of 2000 authorizes the acquisition of qualified property through donations eligible for a credit against the personal income or bank and corporation tax in an amount equal to 55 percent of the fair market value of any qualified contribution.

(3)

(c) Where property owners are able to utilize this tax credit, state acquisition costs are nearly halved.

(4)

(d) Authorizing the use of bond funds to fund these tax credits will significantly expand the purchasing acquisition power of existing bond funds.

~~(b) Notwithstanding any other provision of law, any public entity authorized to acquire interests in property from state bond funds approved by the voters may, if the property acquisition also meets the criteria established in Section 37015 for donations of property under the Natural Heritage Preservation Tax Credit Act~~

~~of 2000, expend bond funds by paying to the General Fund the amount of the tax credit necessary to acquire the property by donation pursuant to the act, to the extent this expenditure is consistent with, and furthers the purposes of, the applicable bond act. In addition to any other approvals required by law, any transaction under this section shall be approved by the board and the Director of Finance.~~

37031. (a) For bond provisions listed in paragraphs (1) to (4), inclusive, of subdivision (b) of Section 37032, “purpose” means scheme and design.

(b) For bond provisions listed in paragraphs (5) to (11), inclusive, of subdivision (b) of Section 37032, “purpose” means scope and effect.

(c) For bond funds eligible to be used under this chapter, pursuant to paragraph (12) of subdivision (b) of Section 37032, if the bond act is passed by initiative, “purpose” shall be defined pursuant to subdivision (b), but if the bond act is not passed by initiative, “purpose” shall be defined pursuant to subdivision (a).

37032. (a) If a department or local government identifies property that may be acquired by donation pursuant to this division and determines that the acquisition would comply with the purpose of a bond provision listed in subdivision (b), and all of the requirements of this division are met and the department or local government acquires the property pursuant to this division, the department or local government may reimburse the General Fund from funds from the bond provision that have been appropriated or allocated to it for the amount of the tax credit provided by this division.

(b) The applicable bond provisions from which a department or local government may use bond funds to reimburse the General Fund for the amount of a tax credit provided by this division, pursuant to subdivision (a), are the following:

(1) Section 5096.615.

(2) Section 5096.620, but funds not including that are to be used for the purposes of Section 5004.5.

(3) Subdivision (a) or (b), or paragraph (1) of subdivision (c), of Section 5096.650.

(4) Funds under paragraph (2) of subdivision (c) of Section 5096.650, that are to be expended pursuant to paragraph (5) of subdivision (b) of Section 31220.

- 1     (5) *Section 79541 of the Water Code.*  
2     (6) *Section 79542 of the Water Code.*  
3     (7) *Section 79544 of the Water Code.*  
4     (8) *Subdivision (d), (e), or (f) of Section 79550 of the Water*  
5 *Code.*  
6     (9) *Section 79568 of the Water Code.*  
7     (10) *Section 79570 of the Water Code.*  
8     (11) *Section 79572 of the Water Code.*  
9     (12) *Other bond funds, if the bond specifies that its funds may*  
10 *be used for the purposes of this division.*  
11     37034. (a) (1) *If a department determines that the*  
12 *acquisition of property by donation pursuant to this division*  
13 *complies with the purpose of an applicable bond provision, and it*  
14 *believes that the acquisition by donation complies with the*  
15 *requirements of this division, it may request the board to make a*  
16 *preliminary determination of whether the acquisition would*  
17 *comply with the requirements of this division.*  
18     (2) *If a local government determines that the acquisition of*  
19 *property by donation pursuant to this division complies with the*  
20 *purpose of an applicable bond provision, and it believes that the*  
21 *acquisition by donation complies with the requirements of this*  
22 *division, it may request the department that allocated the bond*  
23 *funds to apply to the board to make a preliminary determination*  
24 *of whether the acquisition would comply with the requirements of*  
25 *this division. If the department that allocated the bond funds*  
26 *determines that the acquisition of property complies with the*  
27 *purpose of the applicable bond provision and it believes that the*  
28 *acquisition by donation complies with the requirements of this*  
29 *division, it may request the board to make that preliminary*  
30 *determination.*  
31     (b) *Upon a request made by a department pursuant to*  
32 *subdivision (a), the board shall make a preliminary determination*  
33 *of whether the acquisition of that property by donation complies*  
34 *with the requirements of this division. The board shall notify the*  
35 *department of that preliminary determination.*  
36     (c) *If the board makes a preliminary determination that the*  
37 *acquisition would comply with the requirements of this division,*  
38 *the department or local government may request the prospective*  
39 *donor of the property to submit an application pursuant to Section*  
40 *37010. If the prospective donor agrees to submit that application*

1 and agrees that the department or local government may acquire  
2 the property pursuant to this division, the donor and the  
3 department or the donor and the local government may apply for  
4 approval of the donation pursuant to the requirements of this  
5 division.

6 (d) If the board approves the application, the department or  
7 local government may acquire the property by donation pursuant  
8 to this division and shall reimburse the General Fund, by  
9 transferring bond funds identified under subdivision (a) of Section  
10 37032 to the Natural Heritage Tax Credit Reimbursement  
11 Account, in the tax years in which the donor claims the tax credit,  
12 in the amount of the tax credit awarded pursuant to this division  
13 and claimed by the donor in that tax year.

14 37036. The Natural Heritage Preservation Tax Credit  
15 Reimbursement Account is established in the General Fund to  
16 receive moneys paid pursuant to subdivision (d) of Section 37034.

17 37038. If the board is the department that receives moneys  
18 pursuant to any of the bond provisions listed in subdivision (b) of  
19 Section 37032 and the board wishes to use those bond funds to  
20 acquire property by donation pursuant to this chapter, or if the  
21 board is the department that allocated bond funds to a local  
22 government that wishes to acquire property pursuant to this  
23 chapter with those funds, the board shall make separate  
24 determinations regarding whether the acquisition of property by  
25 donation pursuant to this division complies with the purpose of the  
26 applicable bond provision and whether the acquisition would  
27 comply with the requirements of this division.

